

ADMINISTRATIVE MANUAL

CHAPTER 4

PETTY CASH FUNDS

A. **PURPOSE**

The purpose of this Chapter is to establish policies and procedures for administration of Petty Cash Funds.

B. **GENERAL PROVISIONS**

1. Appropriate Use of Petty Cash

- a. Petty cash funds have been established in the Comptroller's Office to provide a convenient and expeditious method to reimburse employees for small and emergency business expenditures, and to pay for small purchases from one-time vendors.
- b. An emergency is defined for this Chapter as situations where an unforeseen combination of circumstances occurs that call for immediate action.
- c. Except as otherwise provided herein, petty cash reimbursements may be made only for amounts up to \$100. In emergency situations, the Comptroller or designee may authorize reimbursements or a disbursements payment to a one-time vendor in excess of \$100.
- d. Reimbursements or payments may be made for the purchase of supplies and other expendable property (as defined in Chapter 1); for taxicab fares, and mileage incurred during the conduct of LSC business; for employee meal costs incurred in connection with the employee having to work more than 2 hours past the end of the employee's Monday through Friday workday; and for other miscellaneous expenses. Disbursements are also authorized for entertainment cost as set out in Chapter 14.
- e. Payments are not authorized for salaries of temporary office help, consultant services, and dues for membership in professional organizations. Payments are not normally authorized for out-of-town travel expenses; however, in emergency situations the Comptroller may authorize such disbursements.

- f. Except as allowed by paragraph d above, it is the policy of LSC that a staff member may not obtain reimbursement for purchasing meals for other employees and Petty Cash may not be used for this purpose.
- g. The petty cash fund Cashier is not authorized to cash checks.
- h. Disbursements of petty cash in the amount of \$100 or more will normally be made by check unless a cash disbursement is approved by the Comptroller.

C. PROCEDURES

1. Comptroller's Approval

The Comptroller shall decide the petty cash fund amount and any increases or decreases to the fund. The Cashier is responsible for all petty cash transactions, including requests for replenishment of the fund and reports. The Cashier is bonded under LSC's insurance policy.

2. Petty Cash Voucher

Requests for petty cash reimbursements shall be written in ink or typed on the "Petty Cash Voucher" and submitted to the Cashier in accordance with the following:

- a. Vouchers must contain the name of the employee to be reimbursed or the company to be paid, a description of the item or service procured, the amount expended and the office to which the expenditure is to be charged. Vouchers for meal expenses incurred by non-exempt employees working late must include the number of hours the employee worked past the employee's normal departure time. Vouchers submitted for meal and entertainment expenses must state the nature of the expense and the names of the guests and their business relationship to LSC. Vouchers must be dated and approved by the President, the appropriate Vice President, Officer, Director, or, for OIG employees, the Inspector General or designee.
- i. Directors may not sign their own vouchers. The Director's Vice President or CAO is the approving signature for the Director's petty cash expenses.

- ii. Vice Presidents or the CAO may not sign their own vouchers. The President and the Comptroller are approving signatures for the Vice Presidents' and the CAO's petty cash expenses.
 - iii. The President and the Comptroller may not sign their own vouchers. The CAO is the signing authority for the President's and the Comptroller's petty cash expenses.
- b. Receipts are required for all items purchased, meals, entertainment expenses, parking fees, health club reimbursements and taxi fares over \$25; receipts must be attached to the voucher when required.
 - c. All petty cash vouchers received by the petty cash fund Cashier prior to 2 p.m. will be processed and paid the same day. Vouchers received after 2 p.m. will be paid the following day. Disbursements can be picked up between 4 p.m. and 5 p.m. from the Comptroller's Office.
 - d. Employees must sign receipts when accepting petty cash reimbursements.
 - e. Reimbursements will not be made from petty cash funds for expenditures more than one month old unless approved by the Comptroller.

D. SAFEGUARDING OF PETTY CASH FUNDS

Petty cash funds shall be secured in a fireproof safe within the Comptroller's Office.

E. REIMBURSEMENT OF PETTY CASH FUNDS

When the petty cash fund reaches a level at which it should be replenished, the Cashier shall execute a "Petty Cash Reimbursement Request" and forward it to the Comptroller for review and reimbursement. No deposit may be made to the petty cash account other than a reimbursement check.

F. RECONCILIATION OF PETTY CASH FUNDS

The full dollar amount of each petty cash fund should always be in the fund in the form of cash or voucher receipts. To document this, two reconciliations shall take place each month:

- The Cashier shall perform reconciliations on a monthly basis, which shall be subject to the review and approval of the Comptroller.

- The Comptroller's Office shall reconcile the petty cash records with the petty cash bank statement on a monthly basis. The Cashier will cooperate with this reconciliation by delivering the checkbook to the Comptroller, upon request. This reconciliation will be subject to the review and approval of the Comptroller.
- Unreconciled records shall be reported immediately to the Inspector General.